

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING REVENUE ASSUMPTIONS.

(a) FINDINGS.—The Congress finds the following:

(1) Corporations and individuals have clear responsibility to adhere to environmental laws. When they do not, and environmental damage results, the federal and state governments may impose fines and penalties, and assess polluters for the cost of remediation.

(2) Assessment of these costs is important in the enforcement process. They appropriately penalize wrongdoing. They discourage future environmental damage. They ensure that taxpayers do not bear the financial brunt of cleaning up after damages done by polluters.

(3) In the case of the Exxon Valdez oil spill disaster in Prince William Sound, Alaska, for example, the corporate settlement with the federal government totaled \$900 million.

(4) The tax code, however, currently allows polluters to fully deduct all expenses, including penalties and fines associated with these settlements. In the case of the Exxon Valdez disaster, deductibility on that settlement at the current corporate tax rate will result in \$300 million in losses to federal tax collections . . . losses which will have to be made up through increased collections from taxation of average American families.

(5) Additionally, these losses also will make it more difficult to move aggressively and successfully toward a balanced federal budget.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—assumptions in this resolution assume that revenues will be increased by a minimum of \$100 million per year through legislation that will not allow deductions for fines, penalties and damages arising from a failure to comply with federal or state environmental or health protection laws.

Mr. WYDEN. Mr. President, this amendment which I offer tonight with Senator KERRY of Massachusetts would put the U.S. Senate on record as saying that it is time to end tax writeoffs under our Tax Code for polluters.

We know our country wants the Senate to get serious about balancing the budget. I know this has been a slow moving exercise in the past. They want a serious sprint to balancing the budget. I believe it is possible to make real progress in balancing the budget. I said in my campaign that I believe you can balance the budget, just the way Oregon families have to balance their budget.

Under the proposal that I offer tonight, if it had been law over the last 6 years, about \$500 million would have gone to reducing the deficit simply by ending tax writeoffs for those who pollute in our country.

What happens today, even though we want a polluter-pay philosophy with respect to environmental protection, what we do is under the tax law provide a Macy's basement discount for those who actually have to pay penalties.

So what I am proposing tonight with Senator KERRY of Massachusetts, is basic tax fairness. Under our amendment, no longer would average working

families pay more on their taxes just because the polluter has received a writeoff on their tax return. What we propose is to put the Senate on record that all revenues collected, when you have the kind of current tax treatment for these penalties, would go back to the Treasury. It would not go into the pockets of the polluter.

Let me talk, for a moment, about the way it works today under our tax laws. If you have a polluter who violates the Safe Drinking Water Act, a statute that assures that the water our kids drink is safe, they then have to pay a penalty. But under the Federal tax laws, they get a tax break for that penalty that they would be paying.

The Clean Air Act assures that the air our families breathe is pure. But if a polluter violates it and pays a penalty, they get another tax break when they violate that important environmental law.

The Resource Conservation and Recovery Act protects our communities against hazardous waste. When a polluter violates that statute, they have to pay a penalty under the law, but they get a tax break under the Tax Code when they do so.

The CERCLA Act is the one designed to clean up our Nation's Superfund sites, some of the most hazardous and dangerous waste in our country. When a polluter violates those laws, they pay penalties, and, again, get tax writeoffs.

The Oil Pollution Act is a particularly important example of why this change Senator KERRY and I propose tonight is needed. The Oil Pollution Act seeks to guard against devastating oil spills like the *Exxon Valdez*. In the case of the *Exxon Valdez* disaster in Prince William Sound, the polluter agreed to a settlement of approximately \$900 million. The defendant in that case took an immediate \$150 million tax deduction. Over the course of that 10-year payout on that particular settlement, you have a polluter that is going to be able to write off nearly \$300 million of the total cost.

Now, some are going to argue that it makes sense to provide a tax deduction as an incentive for polluters to somehow settle these damage suits. I argue that the knowledge that these polluters are going to pay the full freight of their damage is a lot more than incentive for them to comply with the environmental laws and get serious about cleanup. I do not think it provides any real incentive if you allow people to write off on their taxes when they violate the environmental laws and have to pay penalties. I think it erodes the fairness of the Tax Code when you provide almost unlimited deductibility arrangements for the polluters, where they get a discount of everything they pay up to 34 percent.

Now, the fact is, Mr. President, that all of the major environmental organizations are in support of this particular amendment. They have said this is one of their priorities with respect to the environment and this budget resolution.

Every Member of this body who cares about tax fairness ought to support this amendment. I do not see how a Member can go and stand up at a community meeting, a town hall meeting in their own home State, and justify, at a time when we are seeing pressure for deficit reduction and many valuable programs cut, allowing a tax writeoff of up to 34 percent when you have somebody violating environmental laws and paying a penalty as a result.

So, Mr. President, if the manager for the majority is prepared to yield back time on the amendment, I am prepared to yield back time, as well. Let me see what the desire of the majority is.

Mr. FRIST. Mr. President, I will yield back my time, as well.

Mr. WYDEN. I yield back my time, Mr. President.

The PRESIDING OFFICER. All time is yielded back.

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DEATH OF ADM. JEREMY BOORDA

Mr. COVERDELL. Mr. President, I was deeply saddened to learn today that our Nation has lost one of its finest Naval officers. Throughout his entire career Adm. Jeremy Boorda showed an incredible dedication to serving his country. After joining the Navy at the age of 17, Jeremy Boorda became the first enlisted man to rise through the enlisted ranks to become the Navy's top uniformed officer. His outstanding record of service and achievement should be remembered by all of those who are called on to defend their nation and will stand as an outstanding example of how a man through dedication and sacrifice can achieve great things. My wife and I had the pleasure of knowing the admiral and I send my condolences to his wife Bettie and their four children in this difficult time.

ADM. MIKE BOORDA

Ms. MIKULSKI. Mr. President, I rise to pay tribute to the life of Admiral Mike Boorda. He was one of our Nation's finest military officers. He was also a friend, whose counsel and advice I often sought—and always respected. I send my deepest sympathy to his wife Bettie and their children. They are in my prayers.

One of my strongest memories of Admiral Boorda is from my visit to Bosnia. The admiral was called away from dinner because of the terrible bombing of the market place in Sarajevo. I went with him to the operations